

## Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 IO-13 ISO-00 AGRE-00 CIAE-00  
COME-00 INR-10 LAB-04 NSAE-00 SP-02 STR-07  
TRSE-00 FRB-03 OMB-01 L-03 SS-15 NSC-05 /082 W  
-----087552 111332Z /41

P R 111257Z JUL 78

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC PRIORITY 2698

INFO USMISSION GENEVA

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GENEVA FOR PHELAN AND BARRACLOUGH

E.O. 11652: N/A

TAGS: ETRD, EPAP, IN

SUBJECT: TEXTILES

REF:STATE 173842

1. EMBOFF DISCUSSED TEXTILE PROBLEM WITH MINCOMMERCE  
JOINT SECRETARY B.L. DAS JULY 11. MEETING WAS  
OCCASIONED BY THE APPEARANCE ON FRONT PAGE OF ECONO-  
MIC TIMES JULY 9 OF REPORT THAT COMMERCE MINISTER  
DHARIA HAD WRITTEN PERSONAL LETTER TO SECRETARY KREPS  
REJECTING US PROPOSAL TO SOLVE CURRENT PROBLEM BY  
INCLUDING HANDLOOM APPAREL UNDER GROUP II. DAS OB-  
VIOUSLY HAD NOT YET RECEIVED REPORT FROM WASHINGTON  
OF LATEST INTERAGENCY GROUP DECISION (REFTEL) SO  
EMBOFF DID NOT RPT NOT INTRODUCE THIS NEW PROPOSAL.

2. AFTER CONFIRMING DHARIA LETTER TO SECRETARY KREPS  
(WITH COPY TO AMBASSADOR STRAUSS) DAS CATEGORIZED US  
PREFERRED SOLUTION AS INTRODUCING A SUBSTANTIVE  
MODIFICATION OF THE AGREEMENT IN RESPONSE TO A TECHNICAL  
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PROBLEM. FURTHER, THE SUBSTANTIVE ISSUE WHICH THE US  
WAS RAISING WAS ONE OF THE MOST DIFFICULT DURING THE  
NEGOTIATION OF THE AGREEMENT AND CONTINUED TO BE  
SENSITIVE. HE UNDERSTOOD THAT USG MIGHT HAVE LEGAL  
DIFFICULTY IN MODIFYING IMPORT DATA AFTER THE EVENT.  
IN SUCH A CASE, ASSUMING AGREEMENT THAT STATISTICAL  
ERROR HAD TAKEN PLACE, SOLUTION COULD BE FOUND IN

ONE-TIME ADJUSTMENT OF GROUP II LIMIT.

3. FOR ITS PART GOI SAW VERY STRONG DEMAND FOR INDIAN TEXTILES CONTINUING IN THE UNITED STATES. DAS SAID. BUT IT WAS PREPARED TO OPERATE WITHIN THE CONSTRAINTS OF THE AGREEMENT WHICH HAD BEEN NEGOTIATED ONLY SIX MONTHS AGO TO COVER A MULTI-YEAR PERIOD.

4. EMBOFF SUGGESTED THAT SUBTLETIES OF THE PROVISIONS AFFECTING "ELEPHANT" PRODUCTS CREATED UNCERTAINTIES IN THE TRADE WHICH ADVERSELY AFFECTED INDIA'S EXPORT INTERESTS. REGULARIZING THESE ITEMS IN SOME WAY WOULD THEREFORE BE OF BENEFIT TO BOTH PARTIES. DAS ADMITTED THAT NEW AGREEMENT HAD HAD A DIFFICULT BREAKING-IN PERIOD. BY NOW, HOWEVER, GOI'S SYSTEM OF KEEPING EXPORTERS INFORMED WAS OPERATING WELL AND WAS FULLY UNDERSTOOD. SIMILARLY, US IMPORTERS COULD GET ADEQUATE INFORMATION FROM CUSTOMS DATA.

5. EMBOFF ASKED DAS IF HE HAD ANY ESTIMATE OF VALUE OF GOODS BLOCKED BY US EMBARGO. HE DID NOT BUT THOUGHT THAT THE 14 MILLION SYE ADJUSTMENT TO GROUP II WHICH GOI HAD REQUESTED WOULD TAKE CARE OF THAT PROBLEM. HE DEFINED PIPELINE AS INCLUDING GOODS NOT ONLY SHIPPED AND ELD AT PORTS BUT ALSO GOODS CONTRACTED FOR AND NOT YET SHIPPED. HE THOUGHT LATTER CATEGORY WAS STILL LIMITED OFFICIAL USE

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SUBSTANTIAL DESPITE LATENESS OF THE SEASON.

7. EMBASSY RECEIVED REQUEST JULY 11 FOR AMBASSADOR TO MEET WITH MINISTER DHARIA ON TEXTILE ISSUE. BECUASE OF SCHEDULING DIFFICULTIES, MEETING HAS BEEN SET FOR FRIDAY, JULY 14 AT 11 AM. IN VIEW OF US PROPOSAL REPORTED REFTTEL, BY THAT TIME BALL WILL BE BACK ON INDIAN SIDE OF COURT AND WE WILL REPORT MINISTER'S REACTION.  
GOHEEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978NEWDE10583  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780283-0528  
**Format:** TEL  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1978/newtext/t19780774/aaaackmh.tel  
**Line Count:** 104  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 81f3ce77-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 173842  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2051953  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TEXTILES  
**TAGS:** ETRD, EPAP, IN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014